



State of Utah

Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 8, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0204

Lance Heaton
Pelican Point Rock Products
1565 North Redwood Road
P.O. Box 386
Lehi, Utah 84043

Subject: Notice of Potential Non-Compliance & Division Directive, Pelican Point
Rock Products, Pelican Point Quarry, M/049/0011, Utah County, Utah

Dear Mr. Heaton:

On August 19, 2003, we requested that a map for the Pelican Point Quarry be prepared and submitted to our office by October 20, 2003. You subsequently requested an additional 60 days to prepare and submit this map. We granted the extension because you stated that this map was to be submitted with an updated Notice of Intention for this mine. On December 19, 2003, we received a second request for another 60-day extension. Because of the holiday season, we granted an additional 30 days to submit the requested map. Our December 29, 2003 letter stated that if you were unable to meet this deadline, you were to contact the Division to schedule a meeting with the Associate Director and the Division Staff. No meeting was arranged, therefore, we assumed that the mapping of the site and NOI preparation were on schedule.

The deadline for the latest extension to January 30, 2004, was made to allow Pelican Point Rock Products to have an aerial survey flown for the site. This aerial survey is needed because the existing disturbed area maps do not reflect all of the current disturbances at the site.

Division staff inspected the mine site on June 4, 2004. We noted several areas on the site that may not be covered under the present mining and reclamation plan. During this visit, we were informed the requested information would be available within several weeks.

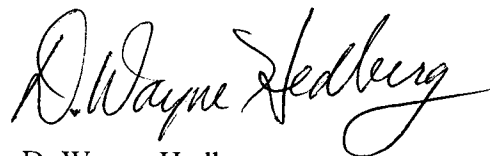
Page 2
Lance Heaton
S/049/011
June 8, 2004

After our inspection we contacted Mr. Patrick Collins (Mt. Nebo Scientific) to check on the status of the survey. He stated that to his knowledge, the aerial survey for the site had not been authorized, therefore, not scheduled. Justin Cozad of your company had recently contacted him to inquire about his work to date. Patrick stated that no authorization was given by Justin to proceed with any further work.

Because of your failure to respond to repeated requests for updated permitting information for the Pelican Point Quarry, we hereby forward this Notice of Potential Non-Compliance to you. You are hereby directed to contact the Division within 10 days of your receipt of this letter to schedule a meeting to discuss options to remedy this situation. Please contact Vicki Southwick, Executive Secretary, at (801) 538-5304, to arrange a meeting with the Associate Director and Division staff to resolve this matter. Your failure to respond accordingly may result in the issuance of a formal Notice of Non-Compliance. This enforcement action could require an immediate suspension of mining operations, and the posting of a transitional reclamation surety at \$5,000/acre for areas disturbed outside the permitted mine area.

If you have any questions regarding this notice, please contact me at (801) 538-5286 or Doug Jensen at (801) 538-5382. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: John Blake, SITLA
Mary Ann Wright, OGM
Doug Jensen, DOGM
Vickie Southwick, OGM

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